

Motel 6 builds regional teams

DALLAS—Motel 6 has established franchise sales teams nationwide to support its first expansion through franchising.

Motel 6 plans significant growth between now and the year 2000 above its current base of 760 company-owned and -operated motels, with more than 85,000 rooms.

At the midpoint of a \$300 million program to refurbish its own properties, Motel 6 is looking at expansion primarily through the construction of a new Motel 6 prototype as well as selective conversions, officials said.

Shepherding the franchise sales effort is Larry Mundy, vice president of franchise development for the chain. Leading the franchise sales team is Michael Lee, president of Lee & Associ-

ates, a national organization specializing in hospitality franchise sales. The firm has established nine sales territories, each headed by a franchise expert. Sales offices have been created in Washington, Tampa, Baltimore, Dallas, St. Louis, Denver and

Motel 6 has spent more than \$200 million on brand marketing.

Columbus, Ohio.

Each of the new territorial franchise sales offices serves an area of four to seven surrounding states.

Motel 6, a member of the Accor Group, has its headquarters in Dallas.

"We're delighted to work

with a lodging and franchise industry veteran like Mike Lee and his team of qualified regional sales representatives who all have a wealth of industry experience and knowledge of Motel 6's advantages over other brands," said Mundy.

Knowing the market

According to Lee, Motel 6 "is a brand that knows its market and sticks to it. Motel 6 concentrates only on its market."

Lee mentioned a few of the chain's strengths, including its profit margins.

More than \$200 million has been spent on brand marketing since the inception of the well-known "We'll leave a light on for you" campaign.

Motel 6 served 35 million guests in 1995.

Scramble is on to obtain tax dollars

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sit occupancy taxes.

In Kentucky, for example, where only the state can levy sales taxes, the association successfully opposed an effort last year to amend the state constitution to allow local governments to impose taxes.

"It would have enabled cities and counties to levy a bed or sales or any other kind of tax and put it into their general fund," Gillespie said.

Creative efforts

Some municipalities are quite creative in their efforts to commandeer occupancy-tax revenues. In Colorado, where most cities need legislative approval to levy any special taxes, a bill to allow cities to put lodging taxes on the ballot—then use the revenues for any purpose—was defeated in this year's legislative session.

In April, one town approved, by a 17-vote margin, a \$2 per night room tax. Eagle, just west of Vail, plans to use revenues from this tax to buy open space, Kamsler said. However, since cities are allowed to levy business license and occupation fees, the local officials are calling the two dollars an "occupation" fee.

The Colorado Hotel & Lodging Assn. is helping Eagle hoteliers oppose the fee.

"If Eagle can successfully accomplish this, other [similar] communities [will be able to] do it without enabling legislation," Kamsler said.

In Georgia, a 1987 law al-

lows local governments to impose a transit occupancy tax of up to 5 percent; revenues derived from any tax beyond three percent must be used to promote tourism, trade shows or conventions. Local governments keep trying to redirect the amount over 3 percent," said Robert King, president of the Georgia Hospitality and Travel Assn.

"Where we find the problem, quite candidly, is how the local governments interpret how to use that 2 percent," King said. "Some of them have created local government departments, and called it a convention bureau, and it's not. Some have tried to direct the local CVB on how they spend the [excess funds]."

One county, for example, tried to use the two percent for its water development authority. Another wanted to use it for a bicycle path. With one exception, the GH&TA has been able to fend off diversion, King said. That exception was legislation that let Cobb County use revenue from a rise in occupancy tax to build a convention facility.

In some states controlling the occupancy tax is particularly difficult. For example, in Oregon, the portion of occupancy tax dedicated to tourism promotion has decreased from about one-third five years ago to about one-quarter of the \$42 million collected last year.

"There is always some kind of budget crisis going on," said Phil Peach, executive director of the Oregon Lodging Assn. De-

veloping the last legislative session, the OLA unsuccessfully backed a bill which would have capped local room taxes at their current rates and frozen at its current level the percentage of revenues dedicated to tourism. Industry representatives were outnumbered by the local officials opposing the bill, Peach said.

When the next session opens in January 1997, "I'm sure we'll be going after it again," he said. "That's the No. 1 priority."

Local support

The OLA may try to gain some clout next year by breaking the bill to garner support from local chambers of commerce and CVBs, Peach said.

Montana hoteliers, on the other hand, have employed a defensive strategy. During the state's last legislative session, the Montana Innkeepers Assn., which has 160 lodging facilities, was successful in keeping focused on tourism promotion the \$8.7 million derived from a four percent occupancy tax. The hoteliers backed a matching grant program devoted to funding infrastructure improvements, such as a museum in Billings and upgrading of a tourism telemarketing system run by the state department of commerce.

"We kind of took the offensive in the political arena, and that's kind of held off some critics who wanted to get the money into the general fund," said Stuart Doggett, executive director of the Montana Innkeepers Assn.

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